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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 for more space to list transactions for lines 1 and 8.

OMB No. 1545-0074

1998

Attachment
Sequence No. **12**

Name(s) shown on Form 1040

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-3)	(e) Cost or other basis (see page D-4)	(f) GAIN or (LOSS) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2	2				
3 Total short-term sales price amounts. Add column (d) of lines 1 and 2	3				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 1997 Capital Loss Carryover Worksheet	6	()	
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f). ▶	7				

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-3)	(e) Cost or other basis (see page D-4)	(f) GAIN or (LOSS) Subtract (e) from (d)	(g) 28% RATE GAIN or (LOSS) * (see instr. below)
8						
9 Enter your long-term totals, if any, from Schedule D-1, line 9	9					
10 Total long-term sales price amounts. Add column (d) of lines 8 and 9	10					
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11					
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12					
13 Capital gain distributions	13					
14 Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 13 of your 1997 Capital Loss Carryover Worksheet	14	()	()
15 Combine lines 8 through 14 in column (g)	15					
16 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). ▶	16					

* **28% Rate Gain or Loss** includes all gains and losses in Part II, column (f) from sales, exchanges, or conversions of assets held more than 1 year but **not** more than 18 months.

It also includes **ALL** "collectibles gains and losses" (as defined on page D-4) and part or all of the eligible gain on qualified small business stock (see page D-4).

Part III Summary of Parts I and II**17** Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13**Next:** Complete Form 1040 through line 39. Then, go to **Part IV** to figure your tax if:

- Both lines 16 and 17 are gains, **and**
- Form 1040, line 39, is more than zero.

18 If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the **smaller** of these losses:

- The loss on line 17; **or**
- (\$3,000) or, if married filing separately, (\$1,500)

Next: Complete Form 1040 through line 37. Then, complete the **Capital Loss Carryover Worksheet** on page D-4 if:

- The loss on line 17 exceeds the loss on line 18, **or**
- Form 1040, line 37, is a loss.

Part IV Tax Computation Using Maximum Capital Gains Rates**19** Enter your taxable income from Form 1040, line 39**20** Enter the **smaller** of line 16 or line 17**21** If you are filing Form 4952, enter the amount from Form 4952, line 4e**22** Subtract line 21 from line 20. If zero or less, enter -0-**23** Combine lines 7 and 15. If zero or less, enter -0-**24** Enter the **smaller** of line 15 or line 23, but not less than zero**25** Enter your unrecaptured section 1250 gain, if any (see page D-4)**26** Add lines 24 and 25**27** Subtract line 26 from line 22. If zero or less, enter -0-**28** Subtract line 27 from line 19. If zero or less, enter -0-**29** Enter the **smaller** of:

- The amount on line 19, **or**
- \$25,350 if single; \$42,350 if married filing jointly or qualifying widow(er);
\$21,175 if married filing separately; or \$33,950 if head of household

30 Enter the **smaller** of line 28 or line 29**31** Subtract line 22 from line 19. If zero or less, enter -0-**32** Enter the **larger** of line 30 or line 31**33** Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies**34** Enter the amount from line 29**35** Enter the amount from line 28**36** Subtract line 35 from line 34. If zero or less, enter -0-**37** Multiply line 36 by 10% (.10)**38** Enter the **smaller** of line 19 or line 27**39** Enter the amount from line 36**40** Subtract line 39 from line 38**41** Multiply line 40 by 20% (.20)**42** Enter the **smaller** of line 22 or line 25**43** Add lines 22 and 32**44** Enter the amount from line 19**45** Subtract line 44 from line 43. If zero or less, enter -0-**46** Subtract line 45 from line 42. If zero or less, enter -0-**47** Multiply line 46 by 25% (.25)**48** Enter the amount from line 19**49** Add lines 32, 36, 40, and 46**50** Subtract line 49 from line 48**51** Multiply line 50 by 28% (.28)**52** Add lines 33, 37, 41, 47, and 51**53** Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies**54 Tax.** Enter the **smaller** of line 52 or line 53 here and on Form 1040, line 40